

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS
Third Regular Session

House Bill No. 11407



INTRODUCED BY REPRESENTATIVE PM VARGAS

AN ACT
MANDATING THE FULL ACCOUNTING OF ALL DISASTER-RELIEF
AID OR DONATIONS RECEIVED BY THE PHILIPPINE
GOVERNMENT FOR NATURAL AND HUMAN-INDUCED
CALAMITIES

EXPLANATORY NOTE

The Philippines is among the countries with the highest number of calamities annually due to its geographic location along the Pacific Ring of Fire and the typhoon belt. The country is highly vulnerable to earthquakes, volcanic eruptions, typhoons, and severe flooding, which result in significant economic and humanitarian challenges each year.

The Department of Science and Technology (DOST) reports that an average of 20 storms and typhoons enter the Philippine Area of Responsibility annually, while the country also experiences between 100-150 earthquakes of varying magnitudes. These recurring disasters necessitate robust mechanisms, including immediate relief efforts and long-term recovery programs.

Over the years, the resilience of the Filipinos in facing these disasters has been strengthened by both local and international humanitarian aid. Donations in the form of cash and in-kind assistance from foreign governments, multilateral organizations, private institutions, and individuals, have played a crucial role in the disaster relief and recovery efforts. However, concerns regarding the transparency, accountability, and proper utilization of these donations have persisted, raising questions about their efficient deployment to affected communities.

The proposed "Donation Transparency Act, seeks to establish a legal framework for the full disclosure and accounting of all disaster-

related aid received by the Philippine government. The measure aims to ensure that every donation -whether from foreign entities or domestic sources- is properly documented, tracked, and utilized strictly for its intended purposes.

The bill is designed to enhance public trust in disaster-relief efforts by eliminating opportunities for mismanagement and corruption in the handling of donations. By ensuring that all aid is appropriately accounted for and disclosed, the measure promotes good governance, transparency, and efficient disaster response and recovery.

In view of the foregoing, immediate passage of the bill is immediately sought


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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Title. This Act shall be known as the "Donation Transparency Act".

SECTION 2. Declaration of Policy. It is hereby declared the policy of the State to promote transparency and accountability in the receipt and utilization of foreign and local donations for natural and human-induced calamities that cause havoc and destruction in the country.

SECTION 3. Coverage. This Act shall cover all foreign and local donations directed to the national government, government-owned or -controlled corporations (GOCCs), and local government units (LGUs) from all sources, such as foreign governments, bilateral or multilateral organizations and institutions, and private individuals or groups.

SECTION 4. Definition of Terms. For purposes of this Act, the following shall refer to:

- (a) "Calamity" - a natural or human-induced disaster causing widespread human material, economic or environmental losses to a community or society.
- (b) "Donations" - cash or non-cash aid or grants received by the government for disaster relief, recovery or rehabilitation.
- (c) "Donor" - refers to foreign governments, bilateral or multilateral organizations and institutions, private or groups

who donate cash or non-cash aid or grants to the Philippine government for disaster relief or rehabilitation.

- (d) "Donee" - refers to departments, bureaus, and offices of the national government including constitutional offices, state universities and colleges, government-owned or -controlled corporations, and local government units that receive donations from various sources.
- (e) "Donation in Cash" - refers to cash assistance from a donor entity/individual to the Philippine government through any of its agencies or instrumentalities.
- (f) "Donations in Kind" - refer to assistance in kind such as but not limited to food, clothing, medicine, and equipment coming from the donor entity/individual to a specific national government agency or local government units for the purpose of disaster relief, recovery and rehabilitation efforts.

SECTION 5. *Donations.* Departments, bureaus, and offices of the National Government, including constitutional offices enjoying fiscal autonomy, and state universities and colleges may accept donations in cash or in kind from various sources, domestic or foreign, for purposes relevant to their respective functions, and which shall be used to cover aid, relief and rehabilitation, repair and reconstruction of permanent structures affected by natural and man-made calamities. Such donations, whether in cash or in kind, shall be deemed automatically appropriated.

SECTION 6. *Utilization and Treatment of Donations.* Donations shall be utilized in accordance with the purpose identified by the donor. Donations for a specific purpose, as identified by the donor, shall be treated as trust receipts: Provided, in case the donor does not identify a specific project or activity to be funded, such donation shall be considered as calamity aid for the use of the Department of Social Welfare and Development: Provided, further, That donations intended for program support for calamities in general shall be booked as income of the National Government or local government units, as the case may be.

SECTION 7. *Cash Donations.* All cash donations shall be deposited under the account of the Bureau of Treasury (BTr), except when the donation is made directly to the agencies, in which case the donee-agency shall inform the BTr of cash donation upon receipt thereof: Provided, That if donation is made directly to an LGU, the Bureau of Local Government Finance (BLGF) shall be informed upon its receipt of the cash donation for the purposes of consolidation the quarterly reports to be submitted to the Office of Civil Defense (OCD), the secretariat of the National Disaster Risk Reductions and Management Council (NDRRMC). An official receipt shall be issued by the concerned donee-agency or LGU for cash donations received.

Donations in foreign currency shall be converted to the Philippine Peso at the prevailing rate at the time of the receipt of the donation. Donations shall be taken up in the books of the BTr as income or trust receipts

The amounts received by the donee-agency shall thereafter be deposited to the account of the Treasurer of the Philippines, and shall be made available to the implementing agency concerned through a Special Budget pursuant to section 35, Chapter 5, Book VI of E. O. No. 292: Provided, That if the donee-agency is an LGU, the same shall be deposited to the account of the Local Treasury as a separate special account maintained in every provincial, city or municipal treasury and recorded as a Trust Fund under the Special Funds pursuant to Section 309 (b) Article I, Chapter II, Title V, Book II of the Local Government code.

In no case shall the cash donation be used for payment of Personal Services of any government unit or any other expenses not related to disaster relief, recovery and rehabilitation efforts.

SECTION 8. Donations in Kind. For donations in kind, an acknowledgment receipt shall be issued to the donor by the donee-agency. The value of donated Property, Plant and Equipment (PPE) shall be based on the declared value in the Deep of Donation or the bill of landing/airway bill/parcel notice and other related documents. The fair market value/appraised value shall be used in the absence of declared value. The donee-agency shall submit either in printed form or by way of electronic document to the OCD, quarterly reports on the receipt of donations in kind: Provided, That the LGU shall submit to OCD thru BLGF all donations in kind that they have received: Provided, further, That the Bureau of Customs (BOC), which processes all foreign donations pursuant to Section 18 of RA 10121, otherwise known as the "Philippine Disaster Risk Reduction and Management Act", shall submit a report on conditionally-free importation under this section to the OCD.

The head of the donee-agency or LGU shall be primarily responsible for the accounting and safeguarding of all donated supplies, materials, equipment and relief goods against loss and wastage.

SECTION 9. Foreign Donations. Foreign donations, whether in cash or in kind, from foreign governments shall be subject to the prior clearance and approval of the President upon the recommendation of the Department of Foreign Affairs (DFA). The DFA shall also submit to OCD a report on foreign donations that it has processed.

SECTION 10. Consolidated Reports. The head of the donee-agency and the agency's web administrator or his/her equivalent shall be

responsible for ensuring that the quarterly report of all donations received, whether in cash or in kind, are posted on the agency's official website.

The BTr shall submit to OCD a quarterly report on all amounts deposited under the special account it maintains for all donations received, including the amount retained by the donee-agency under Section 7 of this Act.

The Department of Foreign Affairs (DFA) shall likewise submit a report on all pledges made by foreign governments, bilateral or multilateral organizations and institutions, private foreign individuals or groups to the Philippine government for disaster relief, aid, or rehabilitation to OCD.

The OCD shall submit, either in printed form or by way of electronic document, to the Department of Budget and Management (DBM), the House Committee on Appropriations and the Senate Committee on Finance, a consolidated quarterly report of all submissions made to OCD under this Act. The Executive Director of the OCD and the NDRRMC's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the NDRRMC.

SECTION 11. *Implementing Rules and Regulations.* The DBM, OCD, DOF, DFA, Department of Interior and Local Government (DILG), and the Commission on Audit (COA) shall promulgate the Implementing Rules and Regulations (IRR) for the implementation of this Act within thirty (30) days from its approval.

The said IRR shall take effect five (5) days after its publication in a newspaper of general circulation.

SECTION 12. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,